

HYCROME

(EUROPE) LIMITED

Engineering & Surface Treatment Specialists

HYCROME GENERAL TERMS & CONDITIONS OF PURCHASE

1. DEFINITIONS AND INTERPRETATION

1.1 In these conditions: -

“Buyer” means Hycrome (Europe) Limited registered in Scotland under number 122201; or any subsidiary company within the group.

“Conditions” means the General Terms and Conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and the Supplier.

“Consequential Loss” means any loss or anticipated loss of profit, loss or anticipated loss of revenue, business interruption, loss of use of any equipment, loss of any contract or other business opportunity and any other loss of a similar nature.

“Goods” means the items to be provided (including any instalment of the items or any part of them and including documentation as detailed in the Supplier Data Requirements List) in accordance with the Purchase Order.

“Purchase Order” means the contract formed by the acceptance of the Purchase Order document and shall incorporate these conditions of purchase as may be amended by special conditions referred to in the Purchase Order document.

“Supplier” means the person(s), firm or company named in the Purchase Order and engaged by Hycrome for the supply of Goods and/or execution of Services defined in the Purchase Order and includes the Supplier’s legal personal representatives, successors and assignees.

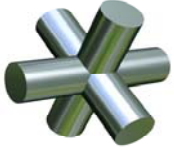
“Services” means the services, if any, to be supplied by the Supplier in accordance with the Purchase Order.

“Specification” includes any plans, drawings, standards, data or other information relating to the Goods or Services.

1.2 The Order constitutes an offer by the Buyer to purchase the Goods and/or acquire the Services subject to these Conditions.

1.3 The Supplier shall be deemed to have accepted the Order and its General Terms and Conditions as soon as it commences to perform any of its obligations hereunder.

1.4 These Conditions shall have precedence over any other conditions appearing on any acceptance form or other document emanating from the Supplier which shall have no effect except to the extent that they confirm the Contract or are expressly agreed in Writing by the Buyer.



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2. SPECIFICATIONS

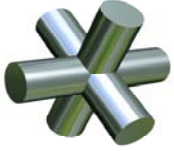
- 2.1 The quantity, quality and description of the Goods and the Services shall, subject as provided in these Conditions, be as specified in the Order and/or in any applicable Specification supplied by the Buyer to the Supplier or agreed in Writing by the Buyer.
- 2.2 Any Specification supplied by the Buyer to the Supplier, or specifically produced by the Supplier for the Buyer, in connection with the Order, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of the Buyer. The Supplier shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Supplier, or as required for the purpose of the Contract.

3. PRICE OF THE GOODS AND SERVICES

- 3.1 The Price of the Goods and the Services shall be stated in the Order and be based on the quotation supplied as a result of the enquiry and, unless otherwise stated, shall be:
- i) Exclusive of any applicable value added tax (which shall be payable by the Buyer subject to receipt of a value added tax invoice); and
 - ii) Inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the Delivery Address and any duties, imposts or levies other than value added tax.
- 3.2 All prices quoted shall remain fixed and firm for a period of 60 days from receipt of quotation.
- 3.3 All prices specified in this Order shall be fixed and firm and not subject to escalation for the duration of this Contract.
- 3.4 Discounts for prompt payment, bulk purchase or volume of purchase shall be shown separately on the quotation.

4. TERMS OF PAYMENT

- 4.1 Unless otherwise stated in the Order, payment shall be made net 60 days after receipt by the Buyer of a proper invoice.
- 4.2 The Buyer shall be entitled to set off against the invoice any sums owed to the Buyer by the Supplier.



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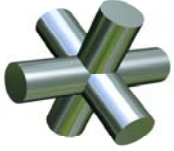
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5. DELIVERY

- 5.1 The Goods shall be delivered to and the Services shall be performed at the Delivery Address during the Buyer's usual business hours.
- 5.2 Delivery of the goods and services shall be to the named destination on the Purchase Order. All delivery costs shall be Carriage and Insurance Paid (CIP) – Incoterms 2000 Edition.
- 5.3 Where the date of delivery is to be specified after placing the Order, the Supplier shall give the Buyer reasonable notice of the specified date.
- 5.4 A packing note quoting the Purchase Order number must accompany each delivery or consignment of the Goods and must be displayed prominently. Failure to comply with this requirement will result in an administration fee of GBP30.00 per unmarked consignment.
- 5.5 If the Goods are to be delivered, or the Services are to be performed, by installments, the Contract will be treated as a single contract and not several.
- 5.6 The Buyer shall be entitled to reject any Goods delivered which are not in accordance with the Order. If it is necessary to return the goods to the Supplier, then the cost of returning the Goods will be met by the Supplier.
- 5.7 The Supplier shall supply the Buyer in good time with any instructions, LOC's, material certificates or other information required to enable the Buyer to accept delivery of the Goods and/or performance of the Services.
- 5.8 Goods are to be suitably packed and protected to ensure safe consignment to the Delivery Address. The Order number is to be quoted on all packages/documents. If packaging/protection is of a specialist nature, whereby removal would render Goods unsuitable for service, then this should be stipulated by the Supplier.

All supplies (with the exception of electronic media) must fall into one of the following categories:-

- (a) Items less than 15kg:
Items must be packed in a cardboard box, with bubble wrap only used for packing. Do not exceed 15kg per box (total weight of contents)
- (b) Items exceeding 15kg but less than 1000kg:
 - i) Items must be packaged on a pallet.
 - ii) Pallets must be sized 1200mm wide (as you would face the pallet in racking) x 1000mm deep (as it would sit in the racking beams).
 - iii) Pallets must be constructed in accordance with BS 1133 Section 8 or equivalent national standards.
 - iv) Pallets must have 3 solid rails to support top boards 95mm high x 50mm wide.



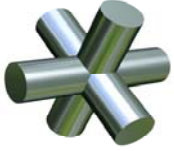
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- v) Pallets must be sheeted with 20mm boards on top surface with 2 off 50mm x 20mm rails fitted to the underside 120mm in from the front edges of the solid rails.
- vi) Palletised items must be secured to the pallet using nylon banding strapped over the load and under the top deck boards of the pallet.
- vii) Wedges or blocks must be affixed to the pallet where movement of the load within banding may occur.
- viii) Where the load has a narrow base or feet which may damage the pallet or slip between pallet top decks during transit a wooden board must be affixed to the pallet to provide a solid base.
- ix) Where shrink wrap is used then a minimum amount only must be used and its use must not impede forklift access.
- x) Plastic, polystyrene or any kind of chips will not be accepted under any circumstances.

- (c) Items exceeding 1000kg:
Goods over 1000kg shall be suitably packaged to support the Goods for floor standing.

- 5.9 All Score/Hycrome URN tagged goods that require palletised shall be in numerical order in a left to right manner. E.G.160957-0001 to 0050 laid out from left to right in the pallet.
- 5.10 Any packaging discrepancy shall incur a charge of GBP120.00; discrepancies include use of crates without prior permission from the Buyer.
- 5.11 The Buyer shall not be obliged to return to the Supplier any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Buyer.
- 5.12 If the Goods are not delivered or the Services are not performed on the due date, without prejudice to any other remedy, the Buyer shall be entitled to deduct from the Price or (if the Buyer has paid the Price) to claim from the Supplier by way of liquidated damage for delay 1% of the Price for every week's delay, up to maximum of 10%. On significant Orders, these percentages may be altered with prior written agreement.
- 5.13 Goods with limited shelf life shall have a minimum of 95% of shelf life remaining on the date of delivery to the Buyer.



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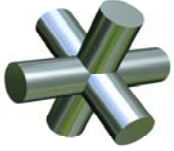
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6. RISK AND TITLE

- 6.1 Risk of damage to or loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Order, except in the case of consigned stock to the Buyer's premises where risk remains with the Supplier until a Purchase Order is raised by the Buyer.
- 6.2 The property in the Goods shall pass to the Buyer upon delivery, unless payment for the Goods is made prior to delivery, when it shall pass to the Buyer once payment has been made and the Goods have been appropriated to the Order.

7. WARRANTIES AND LIABILITY

- 7.1 The Supplier warrants to the Buyer that the Goods will comply with all statutory requirements and regulations relating to the sale of the Goods.
- 7.2 During a period of 24 months after the time of dispatch or 18 months after installation, the Supplier shall, at his own expense, repair or replace the Goods or Services or any part thereof found to be defective due to faulty design, material, equipment or workmanship (other than design specified in detail by the Buyer) or to any act or omission of the Supplier. If the Supplier is unable or refuses to undertake any re-performance which has been requested by the Buyer, the Buyer shall be entitled (without prejudice to any other rights and remedies it may have under the Purchase Order) to undertake the re-performance itself or to procure a third party to undertake such re-performance and, in either instance, recover all costs (including incidental costs) of such re-performance from the Supplier. For substituted or repaired items the prevailing guarantee will be extended from the date of replacement.
- 7.3 The Supplier shall indemnify the Buyer against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:-
- i) breach of any warranty given by the Supplier in relation to the Goods or the Services;
 - ii) any claim that the Goods infringe, or their importation, use or resale infringes the patent, copyright, design right, trademark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by the Buyer;
 - iii) Any liability under the Consumer Protection Act 1987 in respect of the Goods;
 - iv) Any act or omission of the Supplier or its employees, agents or sub-Contractors in supplying, delivering and installing the goods or performing the Services;
 - v) Any defect in the Goods or Services supplied.



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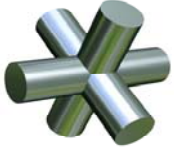
- 7.4 The Supplier shall indemnify the Buyer against all loss of or damage to property or liability for injuries (including death) sustained by any one, including Supplier's and Buyer's employees and clients, arising out of or in connection with the Goods and/or Services covered by this Purchase Order.
- 7.5 The Supplier shall take out and maintain, with a first class insurance company, insurance adequate to cover its liabilities hereunder and to fulfill any requirements of local government or other appropriate bodies.
- 7.6 The Buyer shall not be responsible to the Supplier for Consequential Loss. The Supplier shall not be liable to the Buyer for Consequential Loss other than for sums receivable by the Buyer under insurance policies carried by the Supplier.

8. FORCE MAJEURE

- 8.1 Neither the Supplier nor the Buyer shall be liable to the other or be deemed to be in breach of the Purchase Order by reason of any delay in performing, or any failure to perform, any of its obligations in relation to the Goods or Services, if the delay or failure was beyond that party's reasonable control.

9. TERMINATION

- 9.1 The Buyer shall be entitled to cancel the Order in respect of all or part only of the Goods and/or the Services by giving notice to the Supplier at any time in which event the Buyer's sole liability shall be to pay to the Supplier the Price for the Goods or Services in respect of which the Buyer has exercised its right of cancellation, less the Supplier's net saving of cost arising from cancellation.
- 9.2 The Buyer shall be entitled to terminate the Contract without liability to the Supplier by giving notice to the Supplier at any time if:
- i) The Supplier fails to comply with any of the terms of the Contract;
 - ii) The Supplier makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or, being a company, becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction);
 - iii) An encumbrance takes possession of, or a receiver is appointed to, any of the property or assets of the Supplier;
 - iv) The Supplier ceases, or threatens to cease, to carry on business;
 - v) The Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Supplier and notifies the Supplier accordingly.



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10. CONFIDENTIALITY

10.1 The Supplier acknowledges and accepts that the information contained in the documents provided by the Buyer in connection with the Purchase Order is confidential and shall not be divulged to any third party or to be used for any other purpose than the performance of the Purchase Order without the prior written consent of the Buyer.

11. GENERAL

11.1 Assignment

11.1.1 The Contract is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any other person of its rights or subcontract any of its obligations under the Contract.

11.2 Notices

11.2.1 Any notice required or permitted to be given by either party to the other in connection with the Contract shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice. Such notices shall be deemed effective within 48 hours of dispatch.

11.3 Waiver

11.3.1 None of the provisions of this Contract will be considered waived by the Buyer unless such waiver is given in Writing by the Buyer. No such waiver shall be a waiver of past or future defaults, breach or modifications of any of the terms, provisions, Conditions or covenants of this Contract unless expressly set forth in such waiver.

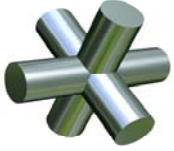
11.3.2 If any provision of the Conditions of this Contract is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of the Contract and the remainder of the provision in question shall not be affected hereby.

11.4 Resolution of Conflict/Applicable Law

11.4.1 In the event of any dispute arising under or in connection with this Contract or the sale of the Goods then every effort shall be made to resolve and agree such dispute by discussion between the parties. If, after a maximum period of 2 months, unless otherwise agreed by the parties, there is a failure to reach agreement, the dispute shall be referred to arbitration by a single arbitrator appointed by agreement or (in default) nominated on the application of either party by the President for the time being of the Law Society of Scotland.

11.4.2 The Contract shall be governed by and interpreted and construed in accordance with the laws of Scotland.

11.4.3 Unless otherwise specified, all quotations, contract documents, data and drawings shall be supplied in the English Language.



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12. HSE

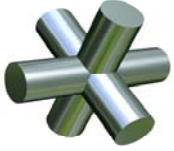
- 12.1 Any Goods supplied or installed shall be so formulated, designed, constructed, finished and packaged as to be safe and without risk to health and the environment, and all Goods will be supplied with full instructions for their proper use, maintenance and repair and with any necessary warning notices clearly displayed.
- 12.2 The Supplier agrees before delivery to furnish the Buyer in writing with a list by name and description of any harmful or potentially harmful properties or ingredients in the Goods supplied whether in use or otherwise and thereafter information concerning any changes in such properties or ingredients. The Buyer will rely on the supply of such information from the Seller in order to satisfy its own obligations under the Health and Safety at Work Act 1974 (and any amendment thereof) and any other relevant legislation.
- 12.3 In respect of all goods supplied the Supplier will maintain and observe quality control and supplier quality assurance standards in accordance with the requirements of the Buyer, its customs, relevant British Standards, statutory and regulatory bodies.
- 12.4 It is the responsibility of the Supplier to acquaint itself with the purposes for which the Goods supplied are to be used.
- 12.5 The Supplier shall indemnify the Buyer against all actions, suits, claims, demands, losses, charges, costs and expenses which the Buyer may suffer or incur as a result of or in connection with any breach of this Condition.
- 12.6 The Supplier providing services must comply with the contractor HSEQ standard which includes environmental elements.

13. TECHNICAL SUPPORT

Supplier agrees to fully support the Buyer with any and all technical information required to support the Supplier's products. This support should cover the complete range of installed equipment and will cover repairs, spares and technical information whether the Goods were purchased as part of this Order or otherwise.

14. QUALITY

- 14.1 Hycrome Operate established quality management systems which comply to BS EN ISO 9000. All Goods supplied against this Order shall be as to allow Hycrome to meet the requirements for product identification and traceability to the source of supply.
- 14.2 The Supplier shall therefore ensure that its products are correctly identified and that the supporting documentation is provided in accordance with the requirements of this document. All documentation affecting the specification of



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equipment/material on this document including British, European and other international standards shall be to the latest issue unless otherwise stated.

14.3 Identification

14.3.1 All Goods supplied against the Purchase Order shall be marked in such a manner as to provide adequate identification to the document number and any manufacturer's identities, part numbers, cast codes or serial numbers as applicable.

14.4 Certification

14.4.1 Each consignment of Goods supplied against the Purchase Order shall be accompanied by the relevant certification/documentation stipulated by the Purchase Order.

14.4.2 Pressure test certification must be dated within six months of anticipated delivery to the Buyer.

14.5 Inspections

14.5.1 Inspection shall be carried out at receipt by Hycrome. Inspection may consist of, but not be limited to:-

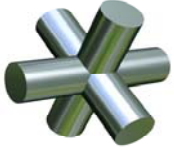
- i) Visual Inspection
- ii) Marking/Tagging
- iii) Dimensional Inspection
- iv) Pressure/Function Tests

14.5.2 The Supplier shall not refuse any reasonable request by the Buyer to inspect and test the Goods during manufacture, processing or storage at the premises of the Supplier or any third party prior to dispatch, and the Supplier shall provide the Buyer with all facilities reasonably required for inspection and testing at no cost to the Buyer.

14.5.3 If inspection of the Goods is to be carried out at the Supplier's premises, the Buyer is to be given a minimum of 48 hours notice of impending inspection points. All technical queries and documentation which require approval are to be routed to the Buyer.

14.5.4 Any request from the Buyer to dispatch Goods on an urgent basis does not supersede the Supplier's responsibility for ensuring that inspection requirements are met, unless formal notification that inspection is to be waived is provided in writing by the Buyer.

14.5.5 If as a result of inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Purchase Order, and the Buyer informs the Supplier within 7 days of inspection or testing, the Supplier shall take such steps as are



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necessary to ensure compliance. Any such inspection or tests shall not in any way relieve the Supplier from any of its obligations under the Purchase Order from those existing either at common law or by statute.

15. ENGINEERING SPECIFICATION

15.1 Goods are to comply with the requirements stated on the Purchase Order or referenced data sheets. Score Engineering Specification ES007 Rev 4 applies in the absence of such detail.

16. CONTROL OF SUBSTANCES HAZARDOUS TO HEALTH (COSHH)

16.1 Where applicable, any hazardous materials/chemicals requested on the Purchase Order shall be

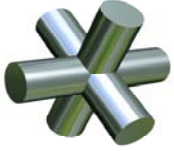
- i) clearly marked in accordance with the national regulation of the country of destination but as a minimum supplied with hazard symbols and classification clearly identified on containers;
- ii) packaged separately;

16.2 A copy of the Health & Safety Hazard datasheet shall be supplied.

17 BUSINESS ETHICS

17.1 In connection with this Contract, Supplier shall not pay or give, offer to pay or give, promise to pay or give, or authorise the payment or giving of any money, fee, commission, remuneration or other thing of value to or for the benefit of any person, including Government Officials, in order to influence an act or decision of any person or Government Official, or cause any person or Government Official to act or fail to act in violation of his lawful duty, or cause any person or Government Official to influence an act or decision of the government, for the purpose of securing an improper advantage, or in violation of any applicable law, decree, ordinance, rule, regulation or order, including without limitation the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act and any other anti-corruption laws, applicable to either Party, its Affiliates, its directors, officers, employees, consultants or agents. Supplier shall inform the Purchaser immediately if there has been any request or demand for any unwarranted financial or other type of gain that has been received by the Supplier in connection with this Contract. In the event of a violation of this clause 17, Purchaser shall have the right to terminate this Contract immediately upon written notice to Supplier. This termination right is without prejudice to other remedies which Purchaser may have under this Contract or its governing law.

17.2 Supplier shall require its Affiliates, its subcontractors and its and their respective directors, officers, employees, consultants and agents to comply with the obligations of clause 17 in connection with this Contract.



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18. VARIATION

18.1 All amendments to Purchase Orders must be agreed in writing by both the Supplier and the Buyer.

THIS DOCUMENT IS SUBJECT TO CHANGE WITHOUT FORMAL NOTICE.

Title: HYCROME GENERAL TERMS AND CONDITIONS OF PURCHASE
Revision: 4
Effective Date: 3rd September 2013

Previous Revision: 3
Dated: 20th September 2012